

Boulder Canyon Project Post-2017 Remarketing

Application of the Energy Planning and Management

Program Power Marketing Initiative

PUBLIC INFORMATION FORUM

December 1, 2009 Las Vegas, Nevada

December 2, 2009 Ontario, California

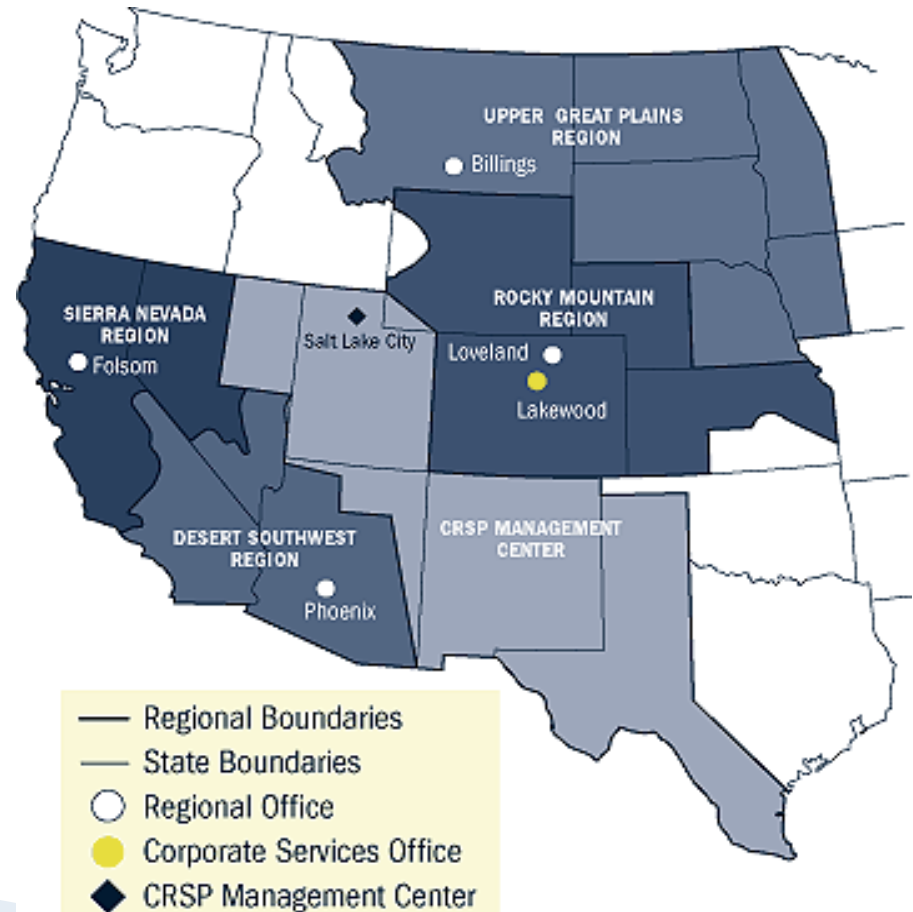
December 3, 2009 Phoenix, Arizona

Presentation Topics

- ▶ About Western Area Power Administration (Western)
- ▶ Energy Planning and Management Program (EPAMP)
- ▶ Federal Register Notice (FRN) dated November 20, 2009
- ▶ Public Comment Forums
- ▶ Boulder Canyon Project (BCP) Remarketing Milestones
- ▶ Points of Contact

Western Overview

- ▶ Western is a Power Marketing Administration that markets and delivers reliable, cost-based hydroelectric power and related services
- ▶ Service area covers:
 - 15 Western States
 - 17,107 transmission line miles
 - 302 substations
 - 665 customers



Desert Southwest Region

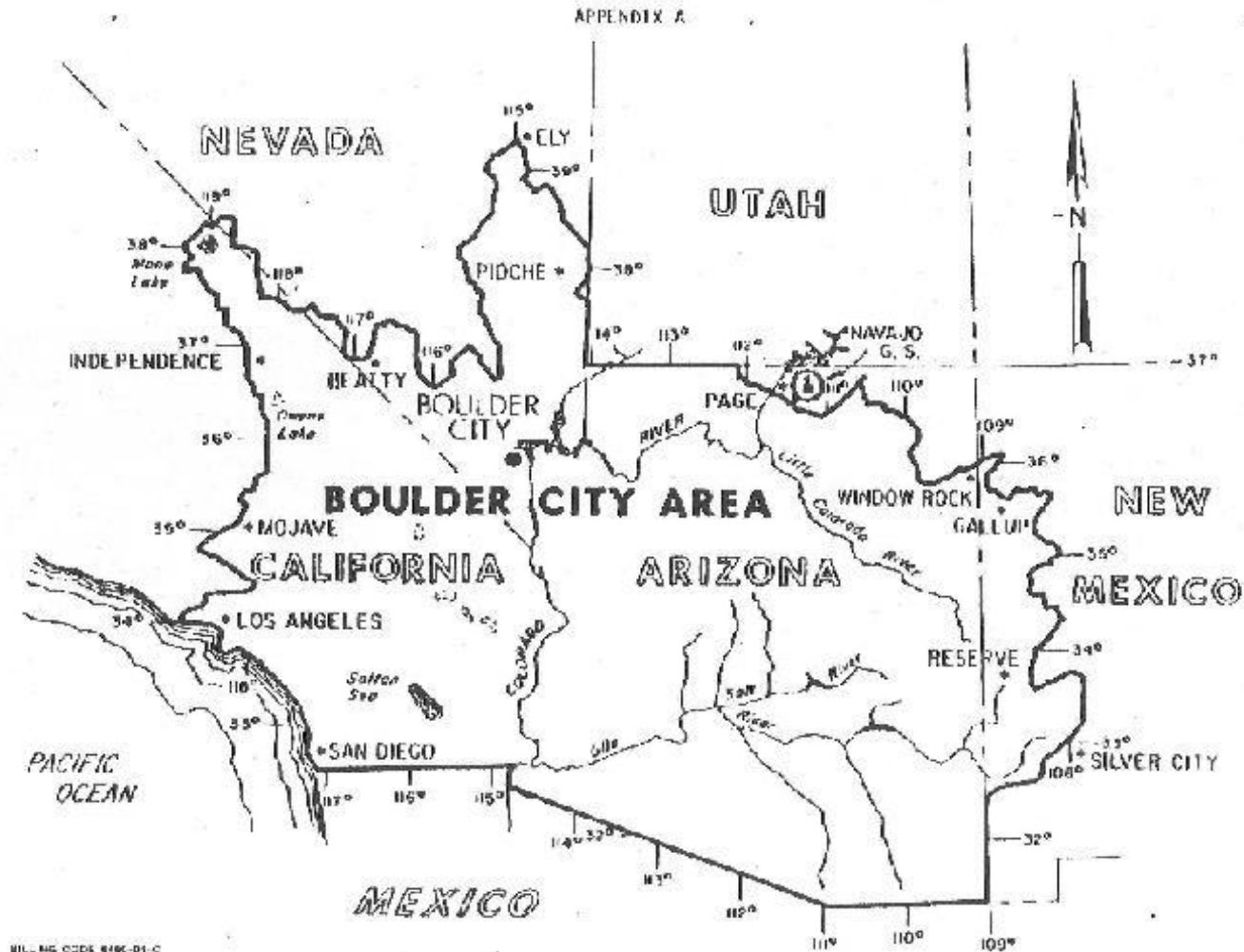
Desert Southwest Region (DSW)

- ▶ Power and transmission marketed on a project-by-project basis
- ▶ Projects include Boulder Canyon, Parker-Davis, Colorado River Storage Project Southern Division, the Pacific NW/SW Intertie
- ▶ DSW Region:
 - About 2,500 megawatts allocated to customers
 - 3,100 transmission line miles
 - More than 60 customers



Desert Southwest Region

Boulder Canyon Project Marketing Area



Boulder Canyon Project

- ▶ Western marketed the BCP in 1987 in accordance with the Hoover Power Plant Act of 1984 and the Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects (49 FR 50582)
- ▶ Current Allocations:
 - 1,951 MW of contingent capacity
 - 4,527,001 MWh of firm energy
 - Allocated to 15 Contractors
 - Contracts expire
September 30, 2017



Energy Planning and Management Program

- ▶ Effective Date October 1995 (10 CFR 905)
- ▶ Two Components:
 - Integrated Resource Planning
 - Power Marketing Initiative
- ▶ Power Marketing Initiative
 - Extend Major Portion of Resource Allocations
 - Establish a Resource Pool
 - Utilize Pool for New Contractors

Power Marketing Initiative (PMI)

- ▶ “The PMI establishes a framework for extending a major portion of the power currently under contract with existing customers.”
- ▶ Applicability of the PMI varies by Project
- ▶ Relative to the Boulder Canyon Project Western stated:
 - Western will “evaluate the applicability of the PMI on the BCP and the P-DP no sooner than 10 years before existing contracts expire.”
 - “No decision to apply the PMI will take place until an appropriate public process takes place.”

EPAMP PMI Applicability to the BCP

Based upon DSW's assessment the application of the PMI to BCP would provide the following benefits:

- Existing contractors retain resource assurance resulting in greater stability in resource planning
- Potential would exist for new preference power contractors to attain an allocation of the BCP
- Western would fulfill its responsibility to market federal generation based on the most widespread use principles

BCP PMI Federal Register Notice

Boulder Canyon Project Proposal

(74 FR 60256, dated 11/20/2009)

- Apply PMI to the BCP
- Extend 95% of Marketable Resource to Existing Contractors
- 30 Year Contract Term
October 1, 2017 – September 30, 2047
- Reserve 5% of Marketable Energy and 4.5% of Marketable Capacity for a Resource Pool
- No Additional Incremental Resource Pools for 30 Years

BCP PMI Federal Register Notice

Proposal for 5% Resource Pool

- Comparable to Resource Pool Percentages of other Western Projects
- Consistent with PMI to Extend a “Major Portion” of Power Under Contract
- Consistent with PMI to Reserve a “Modest Percentage” for a Resource Pool

BCP PMI Federal Register Notice

- ▶ Proposed Marketable Resource
 - 2,044 MW of Contingent Capacity
 - 4,116,000 MWh of Annual Firm Energy
- ▶ Proposed Resource Pool
 - 93 MW of Contingent Capacity
 - 205,800 MWh of Annual Firm Energy
- ▶ Proposed Resource Retained by Existing Contractors
 - 1,951 MW of Contingent Capacity
 - 3,910,200 MWh of Annual Firm Energy

Public Comment Forums

- ▶ Las Vegas, Nevada – January 19, 2010
- ▶ Phoenix, Arizona – January 20, 2010
- ▶ Ontario, California – January 21, 2010
- ▶ Submit Written Comments to Western by January 29, 2010
- ▶ Western Evaluates Comments
- ▶ Western Publishes Final EPAMP PMI Decision in a FRN

Boulder Canyon Project Remarketing Milestones

- January 2010..... Conduct Public Comment Forums
- Summer 2010..... Publish Final EPAMP PMI Decision
in the Federal Register
- Spring 2011..... Finalize Remarketing Criteria
- Summer 2012..... Final Allocations Defined
- Spring 2013..... Contracts Executed

Contact Information

Submit Written Comments To:

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<http://www.wapa.gov/dsw/pwrmkt/>